# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:5681
ANSWERED ON:07.04.2017
Violation of Directives and Notices
Choudhary Shri Ram Tahal;Devi Smt. Rama

**Will the Minister of FINANCE be pleased to state:**

(a) whether compliance of directives and notices related to loans issued by the Reserve Bank of India (RBI) and Credit Information Bureau (India) Limited (CIBIL) depends upon the approval of Bank Boards;

(b) if so, the details thereof and the reaction of the Government thereto;

(c) the details of the rules under which action is taken against the banks which do not comply with RBI and CIBIL directives and notices;

(d) the names of banks against which action has been taken during the last three years for violation of directives and notices; and

(e) the outcome of the action taken?

## Answer

The Minister of State in the Ministry of Finance

(a) to (e): Reserve Bank of India (RBI) has informed that in the light of operational freedom granted to banks in credit related matters, each bank's Board is authorized to frame suitable policies subject to regulatory framework prescribed by RBI. Accordingly, banks have been advised to prepare a well-defined loan policy approved by their Board of Directors which should lay down exposure limits to individual/group borrowers, documentation standards, margin, security, sectoral exposure limits, delegation of powers, maturity and pricing policies, factors taken into consideration for deciding interest rates etc.

In exercise of powers conferred by Section 11 of Credit Information Companies (Regulation) Act (CICRA), 2005, RBI has issued guidelines regarding providing of credit information (as defined under the Act) by banks to CICs. The banks and CICs are bound by CICRA, Rules and Regulations framed thereunder and the guidelines/instructions issued by the Reserve Bank of India from time to time. The Act also provides for penal measures if the banks and CICs do not comply with the provisions of the Act.

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